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December 3, 2007

VIA HAND DELIVERY AND E-FILING

Magistrate Judge Mary Pat Thyng
U.S. District Court for the District of Delaware
844 North King Street, Room 4209
Lock Box 18
Wilmington, Delaware 19801

RE: Haliotis Investments S.A., v. Arch Hill Capital N.V., Lithium Technology Corp.,
Hendrikus Harold Van Andel, C.A. No. 06-679

Dear Magistrate Judge Thyng:

I write on behalf of all parties in the above-captioned matter to provide the Court with an update regarding settlement and the anticipated time that this matter will be resolved in the Court. As Your Honor is aware, the matter has been settled in principle and counsel for the parties are in the process of documenting that settlement. As previously reported, this resolution requires the parties to document the settlement of a multinational financial dispute which was complicated by the sudden death of a controlling foreign principal and the attendant complications associated with that principal's estate in Europe. The parties are laboring to bring this matter to a close expeditiously. Our counsel in the Netherlands informs us that, taking into account the upcoming holidays, more time is needed to finalize and execute the settlement agreement.

Presently, a stipulation between the parties requires Defendants to respond to Plaintiff's complaint, and that Plaintiff move to substitute the estate of defendant Hendrikus Harold Van Andel, by not later than December 5, 2007. The parties respectfully request that Your Honor grant the enclosed stipulation and order which provides the parties an extension to February 5, 2008 to finalize the settlement and thereafter dismiss this action.

We will continue to keep the Court apprised of the status of settlement. The parties are available at the Court's request to answer any questions Your Honor may have.

Respectfully submitted,

/s/ Matthew F. Davis

Matthew F. Davis
(Del. Bar. I.D. 4696)

cc: Christopher A. Selzer, Esq. (via e-filing)

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

HALIOTIS INVESTMENTS S.A.)	
)	
Plaintiff,)	
)	
v.)	C.A. No. 1:06-cv-00679-***
)	
ARCH HILL N.V., LITHIUM TECHNOLOGY)	
CORP., HENDRIKUS HAROLD van ANDEL)	
)	
Defendants.)	

STIPULATION AND ORDER

WHEREAS, the parties to this action stipulated, and this Court ordered on November 5, 2007, that (i) Plaintiff shall have until December 5, 2007 to file a motion to substitute the proper party for the late Mr. van Andel and (ii) Defendants shall have until December 5, 2007 to respond to the complaint;

WHEREAS, this action has been settled in principle and counsel for the parties are in the process of memorializing the settlement terms in writing;

WHEREAS, the parties require additional time to memorialize the settlement terms in writing;

NOW, THEREFORE, Plaintiff and Defendants hereby stipulate and agree, subject to the approval of the Court, as follows:

1. If a final settlement agreement is not executed by the parties beforehand, Defendants shall have until February 5, 2008 to respond to the complaint filed in the above-captioned action; and

2. If a final settlement agreement is not executed by the parties beforehand, Plaintiff shall have until February 5, 2008 to file a motion to substitute the proper party for the late Mr. van Andel.

/s/ Matthew F. Davis

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*Attorneys for the late Hendrikus Harold
van Andel, Lithium Technology Corp., and
Arch Hill N.V.*

Dated: December 3, 2007

SO ORDERED this ____ day of December, 2007

Magistrate Judge Mary Pat Thyng